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June 30, 2020

VIA ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk / Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Actions in Response to COVID-19
Docket No. 2020-106-A

Dear Ms. Boyd:

Pursuant to Commission Order No. 2020-372, issued in the above-referenced proceeding, please find attached for filing the Quarterly Financial Report of Blue Granite Water Company (the "Company") concerning certain impacts of the COVID-19 pandemic on the Company's revenue.

Kind regards,

Sam Wellborn

SJW:tch

Enclosure

c w/enc: Parties of Record (via email)
Donald H. Denton, President (via email)
Dante Destefano, Financial Planning & Analysis Manager (via email)

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
Docket No. 2020-106-A

In Re:)	
)	
Actions in Response to COVID-19)	Quarterly Financial Report
)	of Blue Granite Water Company
)	

Pursuant to Order No. 2020-372 of the South Carolina Public Service Commission (“Commission”), Blue Granite Water Company (the “Company” or “Blue Granite”) files for the Commission’s information the following report of the Company’s revenue impacts and incremental costs and savings related to the COVID-19 pandemic.

A. Background

1. On March 10, 2020, the Company initiated several measures due to the COVID-19 pandemic, including 1) suspending disconnects of customers’ service due to non-pay, 2) suspending late fees on all past due balances, and 3) reconnecting customers who were disconnected beginning March 1, 2020 due to non-pay. The Company subsequently initiated protocols for employees to work from home where possible, as well as various safety measures for those employees performing field operations.

2. On March 18, 2020, the Commission issued Order No. 2020-228, which granted the waivers and authority necessary to implement Governor McMaster’s directive that all regulated utilities in South Carolina suspend the disconnection of essential services for nonpayment. In that order, the Commission also directed that “utilities track the financial impacts related to the waivers

approved by this action and order as the Commission may seek reporting of financial impacts at a future time.”

3. On May 14, 2020, the Commission issued Order No. 2020-372, which required that “utilities to track revenue impacts, incremental costs and savings related to COVID-19, and file the findings with the Commission on a quarterly basis, beginning as soon as possible, but no later than the end of the second quarter of 2020.” The Company files the instant report in compliance with that directive.

4. In the above-referenced docket, the Company filed comments on May 22, 2020 discussing certain customer impacts, as well as financial impacts on the Company resulting from the COVID-19 pandemic, including the following: elimination of significant miscellaneous revenues; increased average uncollectible account balances; increases in legal, communications, and regulatory costs; additional, unexpected costs required to maintain employee safety and reliable provision of service (e.g., personal protective equipment, sanitizer, and disinfectant cleaning products and services); and additional support staff to augment field operations.

B. Quarterly Report

5. The Company has identified and compiled the financial impacts of COVID-19 for the period March 1, 2020 to May 31, 2020, shown in the table below. This period aligns with the request for a quarterly reporting window, the start date of the Company’s COVID-19 initiatives, and the end date of the Company’s now-replaced JDE Enterprise Resource Planning software. The Company will provide further updates as additional impacts are identified.

Item	Impact	Comments
Revenues:		
Misc. Revenues - Late Fees	\$34,325	Late fees suspended effective 3/10/2020
Misc. Revenues - Reconnect Fees	\$1,240	32 reconnections, who were disconnected between 3/1/2020 and 3/10/2020 for non-pay
Operating Expenses:		
Uncollectible Expense	\$61,837	Incremental uncollectible reserve since 2/28/2020
Travel Expense	\$(4,299)	Canceled lodging, meals, travel for meetings
Training Expense	\$(3,976)	Canceled training courses, licensing exams
Miscellaneous Expense	\$2,155	Employee PPE/Safety Equipment
Legal Expense	\$2,615	Support for COVID-19 regulatory filings, hearings
Net Impact	\$93,898	

The Company appreciates this opportunity to provide the Commission with an update as to the financial impact of the COVID-19 pandemic on its operations.

Respectfully submitted,

s/Samuel J. Wellborn

Frank R. Ellerbe, III

Samuel J. Wellborn

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